

Message Text

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47

ACTION NEA-10

INFO OCT-01 ISO-00 SY-05 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-15 SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 /109 W

----- 064944

R 181216Z MAY 76

FM AMCONSUL DHAHRAN

TO SECSTATE WASHDC 4756

INFO AMEMBASSY JIDDA

AMEMBASSY TEHRAN

UNCLAS DHAHRAN 0639

E.O. 11652: N/A

TAGS: OVIP, ENRG, BEXP, PFOR, SA

SUBJECT: DHAHRAN VISIT OF FEA ADMINISTRATOR FRANK ZARB

REF: (A) STATE 078149; (B) DHAHRAN A-13

1. FEA ADMINISTRATOR FRANK ZARB'S ONE-DAY VISIT (MAY 5-6) TO EASTERN PROVINCE WENT OFF WELL AND ACHIEVED BASIC GOAL OF ACQUAINTING ENERGY CZAR WITH OPERATIONS OF WORLD'S LARGEST PETROLEUM PRODUCING COMPANY. ARABIAN AMERICAN OIL COMPANY (ARAMCO) CHAIRMAN JUNGERS, AND APPROPRIATE SENIOR EXECUTIVES, BRIEFED ZARB ON OPERATIONS OF COMPANY AND, AFTERWARDS, THERE WAS USEFUL AND FRIENDLY EXCHANGE OF VIEWS ON ENERGY POLICY AND OUTLOOK FOR INDUSTRY.

2. DURING ZARB BRIEFING JUNGERS READ PREPARED STATEMENT OUTLINING ARAMCO'S VIEW ON ENERGY MATTERS AND HIS THOUGHTS ON STATE OF US-SAUDI RELATIONS. JUNGERS' STATEMENT (WHICH WE WILL POUCH MAY 24 AS ENCLOSURE TO REFAIR) EMPHASIZED IMPORTANCE TO US OF DEVELOPING A SPECIAL RELATIONSHIP WITH SAUDI ARABIA TO: (A) MAINTAIN ACCESS TO SAUDI CRUDE; (B) UNCLASSIFIED

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MAINTAIN AND ENLARGE US EXPORTS TO SAUDI ARABIA TO "OFFSET

THE CASH OUTFLOWS NEEDED TO PAY FOR (INCREASING US) OIL IMPORTS"; AND (C) ASSURE THAT SAG "CONTINUES TO EXERT A MODERATE, RESPONSIBLE AND STRONGLY PRO-WESTERN INFLUENCE IN THE ARAB WORLD." JUNGERS STRESSED THAT "SAUDI ARABIA, WITH ABOUT ONE QUARTER OF THE WORLD'S OIL RESERVES, APPEARS TO US TO BE THE ONLY RPT ONLY COUNTRY THAT CAN POSSIBLY MEET THE FORECASTED GROWTH REQUIREMENTS OF THE US AND THE REST OF THE FREE WORLD...OVER THE NEXT DECADE OR SO."

3. UPON ARRIVAL DHAHRAN ZARB WAS GUEST OF HONOR AT LUNCHEON HOSTED BY CONSUL GENERAL. AFTER LUNCH, THE GUESTS, WHO INCLUDED SENIOR GOVERNMENT OFFICIALS AND COMPANY EXECUTIVES FROM OIL INDUSTRY, WERE TREATED TO INFORMAL QUESTION AND ANSWER SESSION IN WHICH ZARB PROVIDED HIS LISTENERS WITH CANDID APPAISAL OF US ENERGY POLICIES AND GENERAL ENERGY SITUATION IN US. THAT EVENING JUNGERS HOSTED DINNER ON ARAMCO COMPOUND WHICH ALLOWED ENERGY CZAR TO MEET INFORMALLY WITH OIL COMPANY'S SENIOR MANAGEMENT.

4. MORNING OF HIS DEPARTURE ZARB WAS GIVEN TWO HOUR AIR TOUR OF ARAMCO'S MAJOR INSTALLATIONS. BECAUSE OF EXTENDED CLOSURE OF DHAHRAN INTERNATIONAL AIRPORT FOR AIR SHOW, ZARB PARTY WAS TREATED TO UNEXPECTED GROUND TOUR, FOLLOWED BY LUNCH, AT ARAMCO'S PRINCIPAL PRODUCTION AND PROCESSING FACILITY AT ABQAIQ, WHICH IS ALSO CENTRAL POINT FOR THE DHAWAR PRODUCING FIELD, THE WORLD'S LARGEST.

5. IT SHOULD BE NOTED, IN VIEW OF EXCHANGE OF MESSAGES BETWEEN DEPARTMENT AND EMBASSY JIDDA CONCERNING ZARB'S FOUR-MAN SECURITY CONTINGENT, THAT THE SECURITY TEAM WAS NOT USED AT ALL DURING THE DHAHRAN PORTION OF THE ENERGY ADMINISTRATOR'S TRIP. ZARB AND HIS PARTY WERE SATISFIED WITH THE POST'S SECURITY ARRANGEMENTS, AND WERE AWARE OF SAUDI GOVERNMENT'S AND ARAMCO'S LACK OF ENTHUSIASM FOR LARGE, IMPORTED SECURITY TEAMS. CONSEQUENTLY, THE FOUR SECURITY SPECIALISTS WERE ABLE TO USE THE DHAHRAN STOP TO RECOVER FROM THE RIGORS OF THEIR TRIP, WHILE POST'S SMALL STAFF DID ITS BEST TO SUPPORT AND ASSIST.

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